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ABSTRACT

In fall 1982, in an effort to address a rising unemployment rate in its service area, Pueblo Community College (PCC) joined with local community leaders and the Pueblo Economic Development Corporation to explore feasible, practical, and workable assistance models which would foster the retention and development of small businesses. Numerous economic development models were reviewed and a comprehensive community study was conducted for use in the development of the model initiative--the Pueblo Business Assistance Network (PBAN). PBAN provides a unified network of services from the community and consists of four major assistance groups: (1) an intake and assistance center, which has received 183 requests for assistance and has helped 23 businesses to open or significantly expand; (2) a non-profit, cooperative, volunteer assistance group, which provides in-depth assistance by practicing professionals; (3) a seed/venture capital assistance fund, which is designed to render financial assistance to any new or existing small business that is based in Pueblo County and will create jobs via the exportation of goods and services; and (4) the Business and Technology Center, an incubation facility providing affordable technical assistance and low overhead costs to new small businesses. PCC's efforts to alleviate the unemployment problem in its service area have also included expanded and innovative programs and services, geared towards the training or retraining of the local labor force. (LAL)

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Local Initiative for Economic Development

by

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Pueblo Community College has taken the initiative to help spearhead an exemplary program for rendering assistance to new and existing entrepreneurs in its three county service area. The initial catalyst for getting involved in the economic development arena resulted from the ominous atmosphere of the Fall, 1982 Pueblo Chamber of Commerce retreat. Pessimistic reports by various businesses and civic leaders at the retreat caused college officials to initiate services which would be useful to businesses and the citizenry of the college's immediate service area. The city of Pueblo has traditionally been a large-business town which was sustained primarily by steel manufacturing. Also in 1982 unemployment was soaring at 18 percent and the community was experiencing a declining growth atmosphere. In view of this economic recession, the college resolved, in typical entrepreneur spirit, to become a "vendor of services" rather than to merely evolve as a partner with industry.

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The primary motivation behind all of this community action was the very real need to solve the unemployment problem in the local area. Extensive review of the literature and community

investigation substantiated the belief that the development of a stable economy was dependent upon the expansion and diversification of businesses, i.e. small businesses. The resultant research indicated that two fundamental, prescriptive elements were necessary for solving unemployment: 1) the creation of jobs and, 2) proper labor force training. The college realized that both elements had to be addressed simultaneously; these two activities could not be expected to produce acceptable results independently. Further, it was clear that both activities were dependent upon the cooperation, enthusiasm, and goodwill of the people, industry, government, and training institutions of the community.

Element one involved the need for a local initiative designed to expand and diversify the community's economic base via the growth and development of small businesses. An emphasis was placed upon developing and expanding businesses which would market goods and services outside of the community's immediate economic market sphere.

In the Fall of 1982 the community college joined with local community leaders and the Pueblo Economic Development Corporation in the exploration of feasible, practical, and workable assistance models which would foster the retention and development of small businesses. A multitude of economic development models were reviewed, researched, and considered.

Finally, a comprehensive community study was conducted by the Control Data Corporation and the results of that study were largely used in the development of the model initiative that is in successful operation today. This model initiative is appropriately titled the Pueblo Business Assistance Network.

The Pueblo Business Assistance Network (PBAN) is unique by its very nature. PBAN provides a unified network of services from virtually the entire community and consists of four major assistance groups:

1) An intake and assistance center
2) A cooperative volunteer assistance group
3) A seed/venture capital investment fund
4) An incubation facility to support new businesses

A comprehensive intake center was developed and put into operation on May 27, 1983 by Pueblo Community College. In its first seven months of operation the school's Center for Small Business experienced 183 requests for assistance. These requests resulted in 23 businesses which have either newly opened or have significantly expanded. Further, the city of Canon City, 36 miles to the west of Pueblo, has requested the community college to establish a duplicate Center for Small Business and cooperative volunteer group in their town. This

is currently being satisfied via a mobile van which visits the city on a regular schedule in cooperation with the city's Chamber of Commerce. The Center is an integral part of the college's business division and provides expert assistance in business and financial plan development and in general management principles.

A non-profit cooperative volunteer assistance group, consisting of dozens of volunteers from numerous professions, was formed in the Spring of 1983 as the Pueblo Cooperation Office, Incorporated. It is the primary purpose of this group to provide in-depth assistance via practicing professionals. Typically, as a client progresses through the formation of a business plan at the college's Center for Small Business, specific needs are identified which require the expertise from volunteer professionals. To date the Cooperation Office has logged 600 man hours of assistance to entrepreneurs and has been responsible for at least two major business expansions. The Cooperation Office is presently located at the college's Center for Small Business.

A seed/venture capital fund was deemed necessary since usual financial institutions do not lend money to high risk entrepreneur-type ventures. A survey of lending institutions in the Pueblo area revealed that there was little or no capital

to be borrowed on a non-secured basis. As a consequence, several community leaders developed and incorporated a community-based private for profit seed/venture investment fund incorporated as the Capital Ideas Fund. Basically, the fund is designed to render financial assistance to any new or existing small business that 1) is based in Pueblo County and, 2) will create jobs via the exportation of goods and services. Revenues for the fund were raised through an initial private stock offering. The corporation plans to increase its revenues and public involvement via a public offering of stock sales in the Summer of 1984. To date, the fund has screened approximately 50 entrepreneur ideas and has participated in the funding of two new small businesses; a light manufacturing company and a meat processing company. Both companies are now in operation. The Capital Ideas Fund was incorporated in June, 1983.

The fourth, and equally important part of the Pueblo Business Assistance Network, is the incubation facility. Called the Business and Technology Center, this facility is currently in the last stages of development by the Pueblo Economic Development Corporation. The facility involves the purchase and renovation of a 40,000 square foot building in downtown Pueblo. The Center has been modeled after the highly successful incubation facilities developed and operated by the

Control Data Corporation at numerous locations across the United States. The Center is designed to provide affordable technical assistance and low overhead costs to new small businesses when cash flow is most critical. The cost-pooling of secretarial, telecommunications, and copying services provides an economically conducive atmosphere for the new businesses which locate in the building. The facility is scheduled to be open in August, 1984.

Element two, which involves the training or retraining of a proper labor force, primarily involves the community's educational institutions. Pueblo Community College has also publicly voiced its commitment to this activity. The college has already begun offering fast-track courses, has increased its course schedules to accommodate shift workers, and has recently revalidated every course competency to insure the delivery of current and practical training. Additionally, the college recently provided free of charge, a comprehensive dislocated worker assistance program. This activity consisted of a series of personal development and career development workshops. The college recognizes that the following basic activities must become a permanent part of its services if the momentum created by the initial economic development initiative is to continue:

*Personal development workshops

*Career development workshops

*Basic skills assessment and remediation

*Skills training tailored to businesses identified by PBAN

In concert with these comprehensive economic development activities, the community college is assisting directly with the development of a state-wide network of similar "Centers for Small Business" to be located at community colleges throughout the state. This effort is coordinated through the Business division of the state vocational education department.

It is recognized that this model initiative may not be the panacea for the unemployed or for community economic development. It is further recognized that community colleges must also continue to attend to the educational needs of our youth. However, it is the writer's opinion that America's greatest challenge, that of capturing and creating new economic markets and providing a trained labor force for those new jobs, must be met head-on. These issues must be addressed quickly and positively through local initiatives such as the one in Pueblo, Colorado. The implementation of such initiatives, of course, is dependent upon the recognition of the problem and the interest of each community. The final question in this regard is NOT "can we afford to attack this societal problem on a community by community basis," but, "can we afford not to?"

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